



COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING OF: May 13, 2025

OLD BUSINESS

AGENDA ITEM 14.E

SUBJECT:

Continued Discussion and Consideration of Tax Increment Financing Request from Time Equities Inc. for Phase I and Phase II of the Town Square Project located at 120 SE 1st Avenue and 100 E. Boynton Beach Boulevard - **TABLED 04/08/2025**

SUMMARY:

On January 14, 2025, Time Equities, Inc. (TEI) presented the CRA Board with a request for Tax Increment Financing (TIF) for the development of two parcels of land (the North Parcel and the South Parcel), which are part of the approved Town Square Project (see Attachments I - III). The Board provided additional direction to continue negotiations on March 20, 2025.

BACKGROUND: The Town Square Project is the subject of an existing Development Agreement with the City of Boynton Beach. Under its existing approvals, the Project will have a total of 898 residential, market rate, rental units; 23,500 square feet of retail space; and two parking garages (1,000+ parking spaces in each garage) with 473 public parking spaces within the garages. The South Parcel will be developed as Phase I (see Attachment IV) of the Project and the North Parcel will be developed as Phase II (see Attachment V). In lieu of providing workforce housing, TEI will make a payment to the City of Boynton Beach Workforce Housing Fund in the approximate amount of \$2,250,000.00 per Phase.

In support of the Project, TEI has requested 95% of the tax increment revenue generated by the Project (i.e., 95% TIF) up to a maximum of \$35.2MM. The request is divided between the two Phases as follows:

Phase I (South Parcel located at 120 SE 1st Avenue) \$20.0MM

Phase II (North Parcel located at 100 E. Boynton Beach Boulevard) \$15.2MM

As support for TEI's request for TIF, TEI provided a Fiscal Impact and Financial GAP Analysis for the project prepared by Fishkind Litigation Services on June 28, 2024 (see Attachment VI). The CRA hired Abramson & Associates, Inc. as a third-party financial analyst to review and analyze Time Equities' request for TIF and Fishkind's financial GAP analysis. On December 20, 2024, Abramson & Associates provided a detailed Memorandum regarding the evaluation of the TIF funding request (see Attachment VII).

The Abramson evaluation focused on the Project's need for TIF and the financial impact to the CRA of awarding the requested TIF as proposed. The evaluation includes general comments evaluating the public benefits proposed by TEI and finds the request generally within a range

of reasonableness. However, the report also noted:

"Relatively small variations in assumptions and/or improvements in the development market over the time prior to construction financing could significantly reduce or, possibly, eliminate the need for subsidy. While this applies to Phase 1, which would be required to start construction within one and a half years, it is a particular concern relative to Phase 2, which, likely, would not start construction until significantly later. Accordingly, the CRA may wish to consider granting a TIF award only for Phase 1 and having the developer return for an evaluation of need at such time as the construction start and development economics of Phase 2 come into clearer focus, so as to lessen the chance of providing TIF funding not actually required for feasibility."

The evaluation recommended that the CRA explore structuring opportunities that may reduce the TIF award should construction and/or other development costs come in lower than preliminary estimates or other development market conditions improve prior to the start of construction.

In January, the Board heard a preliminary presentation from TEI concerning the developer's proposal, and directed CRA staff and TEI to commence negotiations for a proposed agreement. The revised terms were prepared and presented at the March Board meeting. The Board directed CRA staff and legal to work with TEI to revise the TIRFA agreement to allow the following options (see Attachment VIII):

- One consolidated TIRFA agreement that covers both phases of the Project, or
- Two independent TIRFA agreements (one TIRFA per phase).

In response, staff and legal have worked with Developer to prepare two potential TIRFA Agreements, which may be executed together or separately, to respond to both requests above. Staff is seeking Board Direction on the proposed terms and agreement structure (see Attachments IX thru XI).

On April 8, 2025, CRA Board tabled this agenda item. Since the April CRA Board meeting additional terms have been negotiated with TEI and included within the revised TIRFA agreements (see Attachment XII and XIII). The additional terms are as follows:

- 3,000 sf of local designated retail space in the North Phase with a Rent discount of 50% of market rate for 10 years
- 1,000 sf of local designated retail space in the South Phase with a Rent discount of 50% of market rate for 10 years
- TEI will also fund interior build-out to the first tenant of the local designated retail space at \$50/sf (\$200,000 total)
- TEI will solicit and procure local artists to paint murals in the covered loggia retail plazas in the North Phase and shall be subject to approval by the CRA
- North Parcel Construction Commencement Date will be December 31, 2031 instead of July 1, 2032

- TEI will use good faith efforts to work with the CRA to complete two 90-minute educational forums for the community for the North and South Phases

FISCAL IMPACT:

To be determined by the CRA Board.

CRA PLAN/PROJECT/PROGRAM:

2016 Boynton Beach Community Redevelopment Plan

CRA BOARD OPTIONS:

To be determined based on Board direction.

ATTACHMENTS:

Description

- [Attachment I - Location Map](#)
- [Attachment II - TIF Request Letter](#)
- [Attachment III - Time Equities Presentation](#)
- [Attachment IV - Site Plan-South Parcel-Phase I](#)
- [Attachment V - Site Plan-North Parcel-Phase II](#)
- [Attachment VI - 06-28-2024 Fishkind Economic Fiscal Impact, & Gap Analysis](#)
- [Attachment VII - 12-20-2024 Abramson Evaluation of TIF Request](#)
- [Attachment VIII - 03-20-2025 CRA Board Meeting Minutes](#)
- [Attachment IX - Updated Time Equities TIRFA Term Sheet](#)
- [Attachment X - TIRFA SOUTH - Final Draft with Exhibits](#)
- [Attachment XI - TIRFA NORTH - Final Draft with Exhibits](#)
- [Attachment XII - Revised South TIRFA dated April 25, 2025](#)
- [Attachment XIII - Revised North TIRFA dated April 25, 2025](#)